

DIRECT TESTIMONY

of

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Safety and Reliability Division

Illinois Commerce Commission

Ameren Transmission Company of Illinois

Petition for an Order pursuant to Section 8-509 of the Public Utilities Act
Authorizing Use of Eminent Domain Power.

Docket No. 15-0065

February 13, 2015

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Attachment A: ATXI's Response to Staff DR ENG 1.03	

1 **Introduction**

2 **Q. Please state your name and business address.**

3 A. My name is Greg Rockrohr. My business address is 527 East Capitol Avenue,
4 Springfield, Illinois 62701.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by the Illinois Commerce Commission ("Commission") as a Senior
7 Electrical Engineer in the Safety and Reliability Division. In my current position, I
8 review various planning and operating practices at Illinois electric utilities and
9 provide guidance to the Commission through Staff reports and testimony.

10 **Q. What is your previous work experience?**

11 A. Prior to joining the Commission Staff ("Staff") in 2001, I was an electrical engineer
12 at Pacific Gas and Electric Company in California for approximately 18 years. Prior
13 to that, I was an electrical engineer at Northern Indiana Public Service Company
14 for approximately 3 years. I am a registered professional engineer in the state of
15 California.

16 **Q. What is your educational background?**

17 A. I hold a Bachelor of Science degree in Electrical Engineering from Valparaiso
18 University. While employed in the utility industry and at the Commission, I have
19 attended numerous classes and conferences relevant to electric utility operations.

20 **Q. What is the purpose of your testimony?**

21 A. On January 26, 2015, Ameren Transmission Company of Illinois ("ATXI") filed a
22 petition requesting that the Commission authorize ATXI's use of eminent domain
23 pursuant to Section 8-509 of the Public Utilities Act ("the Act") to acquire rights-of-

way across specific properties for construction of an overhead electric transmission line. This is ATXI's sixth petition seeking eminent domain authority for construction of its planned Illinois Rivers Project, a 345 kilo-volt ("kV") transmission line that crosses the state.¹ In this docket, ATXI seeks eminent domain authority to obtain easements across 16 parcels along the Pana to Mt. Zion segment of its proposed transmission line: 1 parcel located in Macon County, 1 parcel located in Shelby County, and 14 parcels located in Christian County.² The purpose of my testimony is to provide the Commission with information about ATXI's attempts to acquire property rights through negotiations from the landowners identified in its petition.

Background

Q. What information has the Commission considered in prior Section 8-509 proceedings when responding to an electric utility's request for eminent domain authority?

A. The Commission has previously identified and relied upon five criteria to evaluate whether the granting of eminent domain is appropriate: (1) the number and extent of the utility's contacts with the landowners; (2) whether the utility has explained its offers of compensation; (3) whether the utility's offers of compensation to affected landowners are comparable to offers made to similarly situated landowners; (4) whether the utility has made an effort to address landowner

¹ ATXI's previous petitions requesting eminent domain authority for its Illinois Rivers Project are the subjects of Docket Nos. 14-0291, 14-0380, 14-0438, 14-0522, and 14-0551. The Pana to Mt. Zion segment of the Illinois Rivers Project is the subject of this docket and was also the subject of Docket Nos. 14-0522 and 14-0551.

² Exhibit A to ATXI's petition lists the tax identification numbers for the parcels included in ATXI's petition and a map showing each parcel's location.

concerns; and (5) whether further negotiations will likely prove fruitful.³ It seems reasonable that the Commission will again use these five criterion to reach its decision in this docket.

Q. What property rights does ATXI seek in this docket?

A. ATXI generally seeks a 150-foot wide easement across private properties in Christian, Shelby and Macon Counties for the segment of its planned 345 kV overhead transmission line to be constructed between Pana and Mt. Zion.⁴ In its Final Order in Docket 12-0598, the Commission granted ATXI a Certificate of Public Convenience and Necessity pursuant to Section 8-406.1 of the Act and an order pursuant to Section 8-503 of the Act authorizing ATXI to construct this 345 kV transmission line, which ATXI identifies as the Illinois Rivers Project.⁵ ATXI's 345 kV transmission line will ultimately extend from the Mississippi River to Indiana, and it is my understanding that ATXI will file further petitions seeking eminent domain authority for other parcels along the transmission line not identified in this or prior dockets. Furthermore, this eminent domain docket does not include all of the properties across which ATXI will seek eminent domain authority for the Pana to Mt. Zion segment; it includes only certain properties between Pana and Mt. Zion, as illustrated by the maps shown on pages 2-3 of Exhibit A to ATXI's petition. In this docket, ATXI seeks eminent domain authority to acquire easements from 11 landowners to cross 16 parcels: 14 parcels in

³ For example, Ameren Transmission Company of Illinois, ICC Order Docket No. 14-0291, 4 (May 20, 2014).

⁴ ATXI Petition, 1-4.

⁵ Ameren Transmission Company of Illinois, ICC Order Docket No. 12-0598, 133-135 (August 20, 2013).

Christian County, 1 parcel in Macon County, and 1 parcels in Shelby County
("Unsigned Properties").

**Q. If the Commission grants ATXI's request in this proceeding, will ATXI then
have either easements or eminent domain authority to cross all the parcels
along the Commission-approved route between Pana and Mt. Zion?⁶**

A. No. ATXI indicates that, even if the Commission grants its request in this docket,
there are still 29 additional parcels along the Pana to Mt. Zion route segment
across which it still requires easements.⁷ Since it is my understanding that ATXI's
negotiations with landowners are on-going, I do not know which of these 29
additional parcels ATXI will include in future eminent domain petitions for the Pana
to Mt. Zion segment.

ATXI's Negotiations with Landowners

**Q. Do you have any general concerns regarding ATXI negotiation activities for
easements across the properties identified on ATXI Exhibit 2.1?**

A. No. Generally, ATXI's activities relating to acquiring easements across the
properties identified in this docket appear to me to be the same as in Docket Nos.
14-0291, 14-0380, 14-0438, 14-0522, and 14-0551. Prior to filing its petition, ATXI
made reasonable attempts to obtain property rights through negotiations with
landowners and/or landowner representatives. ATXI explains that its negotiations
included logically and consistently derived initial compensation offers followed by
discussions with the individual landowners or their counsel. Importantly, ATXI

⁶ ATXI's proposed new 345/138 kV substation south of Mt. Zion is to be called Faraday Substation.

⁷ ATXI's response to Staff DR ENG 1.03, included as Attachment A.

85 explains that it has been willing to consider landowner valuation information and
86 counter-offers (should landowners provide them).⁸ Though I am not an attorney,
87 it is my understanding that, prior to completing the transmission line, ATXI needs
88 to obtain property rights along the entire route of its planned 345 kV transmission
89 line (to the extent it does not already possess such rights), as determined by the
90 Commission in Docket No. 12-0598 with its August 20, 2013, Final Order, its
91 February 5, 2014, First Order on Rehearing, and its February 20, 2014, Second
92 Orders on Rehearing. ATXI expresses concern that delays in acquiring land rights
93 will adversely affect its construction schedule for the Pana to Mt. Zion segment of
94 its proposed 345 kV line.⁹ Therefore, I do not have concerns that ATXI now seeks
95 eminent domain authority to acquire rights to cross some properties so that it can
96 construct the transmission line along the route segments as the Commission
97 specified.

98 **Q. Do you have any concerns regarding ATXI's negotiations with landowners**
99 **to acquire easements across any specific parcels identified in this**
100 **proceeding?**

101 A. No. After reviewing the information that ATXI provided, I found ATXI's efforts to
102 negotiate for easements across each of the parcels identified to be reasonable. I
103 note that ATXI commits to attempt to continue to negotiate with the owners of these
104 parcels, so it is yet possible that landowners may voluntarily grant the easements
105 that ATXI requires.¹⁰

⁸ ATXI Ex. 1.0, 12-13.

⁹ ATXI Ex. 1.0, 15.

¹⁰ ATXI Ex. 1.0, 16.

106 **Q. Did you evaluate ATXI's request for eminent domain authority based upon**
107 **the five criteria that the Commission previously identified and relied upon to**
108 **evaluate whether the granting of eminent domain is appropriate.**

109 A. Yes. My comments and opinions regarding ATXI's negotiations based upon the
110 five criteria follow.

111 (1) Contact With The Landowners

112 **Q. With regard to the 16 parcels at issue in this proceeding, did ATXI provide**
113 **adequate information regarding the number and extent of contacts with the**
114 **landowners?**

115 A. Yes. ATXI witness Rick D. Trelz explains ATXI's process for negotiating with
116 landowners and states that ATXI or its representative, Contract Land Staff,
117 contacted each landowner no less than 20 times.¹¹ ATXI Ex. 2.3 summarizes
118 ATXI's contacts with each of the landowners identified in the petition. In addition,
119 ATXI provided Staff with confidential workpapers for each Unsigned Property that
120 include the date, time, and substance of each contact with the landowners.

121 (2) Explanation of Compensation Offer

122 **Q. Did ATXI explain the basis for its offers of compensation?**

123 A. Yes. Mr. Trelz explains that ATXI's property valuations and financial offers to
124 landowners are based upon a third-party appraiser's determination of the market
125 value of each property. Based upon Mr. Trelz's testimony, I understand ATXI's
126 initial offers to be approximately 90% of the fee value of property included in the
127 easement, and to include, where applicable, diminution of value for the remaining

¹¹ ATXI Ex. 1.0, 6-8.

property due to the presence of the easement, as well as payment for crop damage resulting from the transmission line installation. ATXI notes that it also provided a 10% signing bonus with its initial offer.¹² To explain its compensation offer to each landowner, ATXI provided each landowner with a worksheet and a copy of the property appraisal that it used.¹³

(3) Reasonableness of Compensation Offers

Q. Was ATXI's method of determining its offers of compensation to individual landowners reasonable?

A. Yes. The methodology that ATXI used to determine its offers of compensation appears to me to be logical and reasonable, and identical to the methodology it used in prior eminent domain dockets. ATXI used the same third-party appraiser to determine all of its compensation offers for properties included in its petition. It is my understanding that ATXI based its offers upon its appraiser's property valuation, which included consideration of sales of similarly situated properties.¹⁴ Furthermore, ATXI considered valuation information that landowners provided, including other appraisals. Since I have no expertise or experience with regard to property appraisals, I offer no opinion regarding the actual dollar amounts of ATXI's monetary offers.

(4) Responsiveness to Landowner Concerns

Q. Has ATXI made an effort to address landowner concerns?

¹² ATXI Ex. 1.0, 10-11.

¹³ Id. at 8.

¹⁴ ATXI Ex. 1.4, 8.

148 A. Yes. ATXI Ex. 2.3 includes examples of changes that ATXI agreed to as part of
149 its negotiations with individual property owners. For example, page 1 of ATXI Ex.
150 2.3, Part F explains that ATXI increased its offer after the landowner presented
151 documentation regarding crop yields. As a second example, ATXI explains on
152 page 2 of ATXI 2.3 Part G that it increased its offer after receiving information from
153 the landowner about crop yields and property valuation. Importantly, ATXI invited
154 landowners to present their own appraisal for ATXI to consider during
155 negotiations.¹⁵

156 **Q. Are you aware of any unresolved landowner concerns, other than financial**
157 **compensation, that may have prevented ATXI and landowners from agreeing**
158 **on terms for an easement?**

159 A. Yes. ATXI indicates that there are property owners with concerns about matters
160 other than compensation:

- 161 • The owner of the parcel with ATXI Identifier A_ILRP_PZ_CH_125 indicated he
162 has no use for Ameren and does not want them on his property.¹⁶
- 163 • The owner of two parcels with ATXI Identifier A_ILRP_PZ_CH_153-1 and
164 A_ILRP_PZ_CH_156 requested a pole relocation that ATXI was unable to
165 grant.¹⁷
- 166 • ATXI Ex. 2.3 indicates to me that, for several of the parcels identified in its
167 petition, it does not know why the owners have not granted the easement.¹⁸

¹⁵ ATXI Ex. 1.0, 13.

¹⁶ ATXI Ex. 2.3 Part B, 1.

¹⁷ ATXI Ex. 2.3 Part F, 1.

¹⁸ ATXI Ex 2.3 Parts C, D, E,J.

168 ATXI claims that it attempts to accommodate landowner concerns provided doing
169 so will not compromise ATXI's design standards for reliability and is consistent with
170 applicable regulatory approvals and requirements.¹⁹ I have seen no evidence that
171 contradicts this claim.

172 (5) Usefulness of Further Negotiations

173 **Q. Will further negotiations, if they occur, prove fruitful with respect to the**
174 **Unsigned Properties?**

175 A. I do not have an opinion as to whether further negotiations might be fruitful.

176 **Q. Does this conclude your prepared direct testimony?**

177 A. Yes.

¹⁹ ATXI Ex. 1.0, 14-15.

**Ameren Transmission Company of Illinois's
Revised Response to ICC Staff Data Requests
Docket No. 15-0065**

Petition pursuant to 8-509 of the Act seeking eminent domain authority to allow ATXI to acquire the necessary land rights, including permanent easements, temporary construction easements, and access rights for ingress, egress and vegetation management, along the approved route for the portion of the Pana to Mt. Zion segment of the Project within Christian County.

Data Request Response Date: 02/06/2015

ENG 1.03

If the Commission grants ATXI's request in this docket, would ATXI then have obtained easements or eminent domain authority for all parcels crossed by the Pana to Mt. Zion segment of the Illinois Rivers Project? If no, please identify on a map, similar to the map included as Exhibit A to the petition, parcels along the Pana to Mt. Zion segment for which ATXI has not yet acquired either an easement or eminent domain authority.

REVISED RESPONSE:

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No. ATXI will not have obtained easements or eminent domain authority over all the parcels crossed by the Pana to Mt. Zion segment. The attached map (Attach 1.03) identifies the remaining parcels, other than the parcels that are the subject of this proceeding, along the Pana to Mt. Zion segment for which ATXI still requires an easement and has not obtained eminent domain authority.



